



NEBRASKA: DAIRY'S NEW WORLD OF OPPORTUNITY



MESSAGE FROM THE DIRECTOR OF AGRICULTURE:



Agriculture is the backbone of Nebraska's economy, and our dairy industry is a vital part of our state's top industry. Fortunately, Nebraska offers dairy producers and processors all the key ingredients for success, whether they are relocating from outside the state or looking to expand their Nebraska operation.

This guide is designed to identify key factors that need to be considered by both dairy producers and processors. On the following pages, you will find information pertaining to Nebraska's agricultural statistics and the economic advantages of our great state. Also, you will find information on state agencies, their roles and responsibilities, and how to contact them.

Our land, our people, and our plentiful resources are Nebraska's advantages. They make our state a great choice for the dairy industry.

Discover what Nebraska has to offer. I think you'll agree, Nebraska truly is dairy's new world of opportunity.

**Greg Ibach, Director
Nebraska Department of Agriculture**

RESOURCES

Feed. Nebraska has an ample supply of quality feed available for animal agriculture needs. The feed resources include more than 1.27 billion bushels of corn harvested from 8.25 million acres, 250,000 acres of sorghum, 4.66 million acres of soybeans, and 2.85 million acres of hay. Additionally, there are several ethanol plants located in Nebraska that produce a large supply of distillers grain, a by-product that is a very nutritional source of feed. Additional information about the use of distillers grains in dairy rations can be obtained from dairy nutritionist Paul Kononoff at the University of Nebraska.

Nebraska's relatively dry climate and ample irrigation make it an ideal location for producing a consistent supply of aflatoxin-free corn. According to the Nebraska Corn Quality Study, over 95% of the samples collected over the 14 years of the study graded U.S. #1 or #2. Our feed is high quality and inexpensive.

Water. Nebraska has an abundant supply of quality water available for use in livestock and crop production. Nearly 70% of the water in the Ogallala Aquifer can be found beneath Nebraska's land surface. That is more than 14 trillion gallons of water—five times the water in Lake Erie. Nebraska also has over one billion gallons of water in surface reservoirs.

Utilities. Nebraska is the nation's only 100% public power state. Low utility costs make Nebraska an excellent location for industries including agriculture enterprises. Industrial rates for electricity and natural gas in Nebraska are among the lowest in the nation (25% lower than the national average). Both energy sources are accessible throughout the state.

Labor. As the dairy industry becomes more mechanized and many of the routine day-to-day chores are run by computers, it is essential for any state promoting agricultural concerns to provide a top-quality labor force. Nebraska workers are among the most productive workers in the nation, and they are known for their strong work orientation and technical proficiency.

Nebraska's labor force has a reputation for a strong work ethic, high productivity, and low absentee and turnover rates. These traits translate directly into industry profitability.

Nebraska has lower than average rates for unemployment insurance (74% less than the national average), workers' compensation insurance (71.5% less than the national average), and wages. In fact, workers'

compensation insurance is not required until one employs ten or more workers.

Quality of Life. With a population of 1.7 million, Nebraska is the only state in the union governed by a nonpartisan unicameral legislature. The state's business-friendly climate includes a constitutional right-to-work provision, competitive labor costs, and a strong work ethic. Nebraskans are friendly, sincere, and proud of the state's agricultural tradition. Our communities have low crime rate and strong family values.

Nebraska offers a beautiful, diverse landscape – from the rolling hills and fertile valleys in the east, to the level farmground of the central region, to the beautiful Sandhills in the north, to the high plains in the western Panhandle and southwestern corners of the state. Wide-open spaces allow for room to build, expand, and enjoy life. Modern cities are scattered throughout the state. The cost of living is significantly lower in Nebraska than other states in the nation. This, coupled with a friendly atmosphere, makes Nebraska a great place to live!

Nebraska ranks high in public education when compared to the rest of the nation. Nebraska's public schools boast a 93.8% graduation rate, compared to the 81.7% national average. The student/teacher ratio is 13:1, compared to a national average of 17:1. Nebraska schools also pride themselves on strong partnerships between high schools, parents, community colleges, universities, business, and industry.

Cost of living comparison:

Earnings: **\$100,000/yr**
Family Size: 4
House (owned): 2,600 sq. ft.
Vehicles: 2 valued at \$26,667

Earnings: **\$40,000/yr**
Family Size: 4
House (owned): 1,080 sq. ft.
Vehicles: 2 valued at \$14,312

U.S. Average	100%	U.S. Average	100%
Nebraska	98.4%	Nebraska	97.9%
California	124.1%	California	126.8%
Colorado	111.0%	Colorado	114.4%
Connecticut	121.4%	Connecticut	124.8%
Florida	105.4%	Florida	106.3%
Iowa	106.4%	Iowa	106.5%
Michigan	108.1%	Michigan	110.6%
Minnesota	106.8%	Minnesota	106.5%
New York	129.5%	New York	132.8%
Washington	104.6%	Washington	110.9%

Source: Economic Research Institute, Redmond, Washington, July 2003

Marketing. The American Dairy Association and Dairy Council of Nebraska (ADA/DC of Nebraska) is a state-registered trade name under which ADA/DC of Nebraska conducts promotion and nutrition education programs in the state of Nebraska. In addition, ADA/DC of Nebraska sent almost \$180,000 to Dairy Management, Inc., (DMI) in fiscal year 2004-2005 to conduct dairy promotion on a national level.

NEBRASKA DEPARTMENT OF AGRICULTURE

The Nebraska Bureau of Dairies and Foods implements and enforces sanitation and quality standards relative to the dairy industry. The Dairy Division conducts on-site inspections of dairy farms, milk haulers, manufacturing plants, and fluid milk bottling plants. This ensures a comprehensive inspection program that goes from the farm to the consumer to assure a safe and wholesome supply of dairy products.

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NEBRASKA DEPARTMENT OF ENVIRONMENTAL QUALITY

The Nebraska Department of Environmental Quality (NDEQ) provides for the protection of Nebraska's air, land, and water resources. Presently, NDEQ is authorized a staffing level of 217 full-time employees. Local field offices have enabled the agency to provide agriculture producers with greater access to NDEQ staff, provide more timely response to citizens, and develop a better understanding of local issues because NDEQ staff live and work in the local community. NDEQ is a one-stop permit shop. There is no need to work through the EPA. The EPA may need to be contacted if the operation is located on tribal lands in Nebraska.

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NEBRASKA DEPARTMENT OF ECONOMIC DEVELOPMENT

In 2005, the Nebraska Legislature created the "Agriculture Opportunities and Value-Added Partnership Act," which established a value-added grant program to help offset the costs of research, education, training, and market development of value-added products. For the further processing of products for commercial markets, the *Nebraska Advantage* program provides tax incentives to companies choosing to locate in Nebraska. Further information is available at the following web site: <http://www.nebraskaadvantage.biz/aginnovation.htm>.

Phone: 800-426-6505
Fax: (402) 471-3778
Web site: www.neded.org

UNIVERSITY OF NEBRASKA – EXTENSION

The University of Nebraska-Lincoln Extension is the front door to the University for many state residents. Extension helps Nebraskans put knowledge to work. It provides a variety of educational opportunities, delivered in a variety of ways. Extension educators and specialists teach, facilitate, and collaborate in providing research-based information to Nebraskans, including those who work in the dairy industry. Nebraska is one of the leaders in developing feeding procedures for the use of distillers grain and gluten feed produced by the ethanol industry. The Nebraska dairy web site contains information on dairy relocation, manure management, and dairy management.

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LIVESTOCK FRIENDLY COUNTY PROGRAM

Livestock production is a vital part of Nebraska's economy, and the trends in this area suggested a need to address production expansion. As a result, the Nebraska Legislature created a process to recognize and assist counties to maintain or expand their livestock sector. A county that meets the criteria and standards set forth in this process may apply to be designated a livestock friendly county. The Nebraska Department of Agriculture administers this program through its Ag Promotion and Development Division, which plays an instrumental role in the dairy expansion process.

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OTHER CONTACTS

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Nebraska Corn Board

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Nebraska Soybean Board

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NEBRASKA AGRICULTURAL STATISTICS

Acres	
Total Area	49,198,344
Land in Agriculture	45,900,000
Total cropland (harvested)	17,336,624
Pastureland and Rangeland	21,940,679
Average Farm Size	950

Acres Harvested		Bushels
Corn 2005	8,250,000	1,270,500,000
Soybeans 2005	4,660,000	235,330,000
Hay 2005	2,850,000	6,945,000 (tons)

- Average annual rainfall varies from 30 inches (76.2 cm) in the east to 18 inches (45.7) in the west. Average snowfall is 29 inches.
- Sunshine ranges from approximately 55% in December to nearly 80% in July.
- Wind direction changes frequently all seasons of the year, with average velocity reaching about nine miles per hour.
- Approximately 76,350 registered wells and a network of rivers and surface water canals supply in excess of eight million acres (3.2 million hectares) of irrigated crops and pasture land. There are approximately 24,000 miles of rivers and streams in Nebraska.
- Easily accessible ground water from the Ogallala Aquifer lies below almost all of Nebraska's land surface. This is five times the amount of water in Lake Erie.

FOR MORE INFORMATION

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